



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

**REGION 10**

1200 Sixth Avenue, Suite 900  
Seattle, WA 98101-3140

OFFICE OF  
WATER AND  
WATERSHEDS

**JUN 18 2012**

Ms. Michelle Bonnet  
Director  
Division of Water  
Alaska Department of Environmental Conservation  
555 Cordova Street  
Anchorage, Alaska 99501

Re: Cook Inlet NPDES General Permit (AKG315000)

Dear Ms. Bonnet:

The purpose of this letter is to set forth the agreement that was reached between the U.S. Environmental Protection Agency Region 10 and the Alaska Department of Environmental Conservation (DEC) concerning the transition for the National Pollutant Discharge Elimination System (NPDES) General Permit for Oil and Gas Exploration, Development and Production Facilities in State and Federal Waters in Cook Inlet, Alaska (Cook Inlet General Permit).

As you know, the Cook Inlet General Permit will expire on July 2, 2012, and DEC will assume NPDES permitting for oil and gas facilities that discharge into state waters on October 31, 2012. On November 21, 2011, the EPA issued a permit action that re-confirmed six produced water effluent limitations to resolve litigation that occurred when the Cook Inlet General Permit was first issued in July 2007. On February 23, 2012, Trustees for Alaska filed a Petition for Review with the Ninth Circuit Court of Appeals challenging the EPA's action. That appeal is currently pending in the Ninth Circuit.

Section 3.03(2)(b) of the NPDES Memorandum of Agreement between the EPA and DEC (MOA) states that EPA shall, "retain full jurisdiction for permits for which an appeal has been filed at the time of program authorization until that matter is resolved." Section 4.13(1) of the MOA states that "[i]n the event that a permit appeal remains unresolved at the time the federally-issued permit expires, [DEC] will assume jurisdiction over the appeal, unless [DEC] and EPA agree that a particular matter should first be resolved by EPA." Pursuant to Section 4.13(1) of the MOA, the EPA and DEC had a conference call on May 3, 2012 to discuss the reissuance of the Cook Inlet General Permit in light of the current appeal.

At the end of the conference call, the EPA and DEC reached agreement on the Cook Inlet General Permit as follows:

- The Cook Inlet General Permit will be split into multiple NPDES permits: (1) a general permit for discharges from exploration facilities to federal waters that will be issued by the EPA; (2) a general permit for discharges from exploration facilities to state waters that will be issued by DEC; and (3) after the resolution of the Ninth Circuit appeal, one or more state permits for discharges from development and production facilities to state waters that will be issued by DEC.

- The EPA and DEC will continue to develop the exploration general permits in parallel with the goal of coordinating the public notices and meetings to jointly occur after DEC obtains Phase 4 NPDES authorization.
- The EPA will retain jurisdiction over the Cook Inlet General Permit for production facilities until the ongoing Ninth Circuit appeal is resolved.

Please provide me with a response as to whether or not this reflects the agreement between the EPA and DEC concerning the Cook Inlet General Permit by July 6, 2012. If you have questions, please contact Hanh Shaw, Region 10's Oil Gas and Energy Sector Manager, at (206) 553-0171 or [shaw.hanh@epa.gov](mailto:shaw.hanh@epa.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "M. Bussell", written over a horizontal line.

Michael A. Bussell, Director  
Office of Water and Watersheds